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Doug Ansell

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

Incorp Services, Inc., a Nevada corporation;
and Doug Ansell, an individual,

Plaintiffs,

v.

Nevada State Corporate Network, Inc., a
Nevada corporation; Susan Miller and Graig
Zapper, husband and wife,

Defendants.

NO.: 2:07-CV-1014

FIRST AMENDED

**I. COMPLAINT UNDER R.I.C.O.
ACT § 1962(c), (d); UNFAIR
COMPETITION; DEFAMA-
TION; AND TORTIOUS
INTERFERENCE**

**II. APPLICATION FOR
INJUNCTIVE RELIEF**

Plaintiffs Incorp Services, Inc. ("Incorp") and Doug Ansell ("Ansell") allege for
their First Amended Complaint as follows:

JURISDICTION AND VENUE

This Court has original jurisdiction over this action, pursuant to 28 U.S.C. § 1331
(federal question) and 18 U.S.C. § 1964. This Court has supplemental jurisdiction over
the state law claims in this action under 28 U.S.C. § 1367, because the state law claims are
so related to the federal claims that they form part of the same case or controversy and
derive from a common nucleus of operative facts.

1. Venue is proper under 28 U.S.C. § 1391.

COUNT I
(Racketeer Influenced Corrupt Organizations Act Claim
18 U.S.C. § 1962(c) and (d))

2. Incorp: (i) is a Nevada corporation; (ii) has its principal place of business in Nevada; and (iii) is duly authorized to conduct business in Nevada.

3. Doug Ansell ("Ansell"): (i) is a citizen and/or resident of the State of Nevada; and (ii) is an officer and director of Incorp.

4. Defendant Nevada State Corporate Network, Inc. ("NSCN"): (i) is a Nevada corporation, with its principal place of business in Clark County, Nevada; and (ii) has caused an event to occur in Las Vegas, Nevada and elsewhere, out of which this complaint arises.

5. Defendant Susan Miller ("Miller"): (i) is a citizen and/or resident of the State of Nevada, County of Clark; and (ii) is an officer and director of NSCN.

6. Defendant Graig Zapper ("Zapper"): (i) is a citizen and/or resident of the State of Nevada; and (ii) is an officer and director of NSCN.

7. Defendants Miller and Zapper are husband and wife, and at all times pertinent hereto, Defendants Miller and Zapper were acting for and on behalf of the marital community made up of Defendants Miller and Zapper.

8. NSCN, Miller and Zapper are referred to collectively as the "NSCN Defendants."

9. Incorp is a corporate service and resident agent company that provides services for its customers in Nevada and elsewhere in the United States ("U.S.").

10. NSCN is a competitor of Incorp.

11. The NSCN Defendants devised, and engaged in the following scheme or artifice (the "Scheme") to defraud Incorp and/or its customers and its business affiliates, for the purpose of obtaining money from Incorp and/or its customers and its business affiliates by means of false or fraudulent pretenses or representations and for the purpose of executing such Scheme or attempting to do so placed or caused to be placed with the U.S. Postal Service letters containing false and defamatory language in violation of 18 U.S.C. § 1341

1 (mail fraud):

2 (a) NSCN, by and through its officers, directors, employees and agents, authored and
3 mailed to the customers and business affiliates of Incorp and to certain public officials,
4 including but not limited to those public officials listed in Exhibit "1" attached hereto,
5 (collectively, the "Recipients") a series of letters and other written correspondence
6 (collectively, the "Letters") using an alias or fictitious name, including without limitation
7 "Victims United Against Abuse" and "Dewey, Screwum and Howe" for the purpose of
8 conducting, promoting or carrying on by means of the U.S. Postal Service the Scheme to
9 defraud set out above in violation of 18 U.S.C. § 1342;

10 (b) The Letters make false and fraudulent representations that Ansell "has been
11 convicted of Producing Child Pornography," which are defamatory per se;

12 (c) The NSCN Defendants created and circulated the Letters for the purpose of
13 damaging Incorp and Ansell's business reputation and obtaining business from the
14 Recipients;

15 (d) The Letters were (i) placed by NSCN with the U.S. Postal Service in Nevada for
16 delivery to the Recipients in numerous U.S. states, and (ii) delivered by the U.S. Postal
17 Service from NSCN in Nevada to each of the Recipients in the U.S. A true and correct
18 copy of an envelope used to send the Letters via the U.S. Postal Service is attached as
19 Exhibit "2."

20 12. The Letters were created by or for NSCN, and mailed to the Recipients, with the
21 knowledge, assistance and approval of NSCN, Miller and Zapper.

22 13. As a result of the Scheme set forth above, some of the Recipients have been
23 induced to terminate their relationship with Incorp.

24 14. The NSCN Defendants are an "enterprise" as defined in 18 U.S.C. § 1961(4).

25 15. The actions of the NSCN Defendants set out above constitute "racketeering
26 activity" as defined in 18 U.S.C. § 1961(1).

27 16. The actions of the NSCN Defendants set out above constitute a continuous
28 "pattern of racketeering activity" as defined in 18 U.S.C. § 1961(5).

1 17. The NSCN Defendants, by their conduct set out above (i) knowingly used the
2 U.S. Postal Service in interstate commerce to execute and/or in furtherance of the Scheme,
3 and (ii) had the specific intent to defraud Incorp, Ansell and the Recipients.

4 18. Incorp and Ansell have each sustained damage as a direct result of the Scheme in
5 an amount to be proven at trial.

6 19. The damage sustained by Incorp and Ansell was reasonably foreseeable by NSCN
7 Defendants.

8 20. As a result of the actions set out above, NSCN, Miller and Zapper are liable,
9 jointly and severally, under 18 U.S.C. § 1962(c) and (d) for all of the damage sustained by
10 Incorp and Ansell as a result of the Scheme.

11 21. Pursuant to 18 U.S.C. § 1964(c), Incorp and Ansell are entitled to recover from
12 the defendants "threefold the [amount] of damages that Incorp and Ansell have sustained,
13 and the costs of [this action], including a reasonable attorney's fee."

14 22. Incorp and Ansell are informed and believe that (i) there have been no criminal
15 convictions for any part of the Scheme, and (ii) there has been no prior civil litigation for
16 any part of the Scheme.

17 23. It has been necessary for Incorp and Ansell to retain the services of an attorney,
18 and Incorp and Ansell are entitled under 18 U.S.C. § 1964(c) to recover their reasonable
19 attorneys' fees and costs incurred.

20
21 **COUNT II**
22 **(Unfair Competition)**

23 24. All allegations set forth above are incorporated herein.

24 25. On information and belief, NSCN, Miller and Zapper unfairly used, and continue
25 to unfairly use, Incorp's confidential information and trade secrets, including but not
26 limited to, names and addresses of Incorp customers and affiliates; to divert or attempt to
27 divert Incorp's business relationships, expectancies and opportunities to benefit
28 themselves to the detriment of Incorp, which confidential information was obtained from
former employees of Incorp now in the employ of NSCN.

1 26. By using the U.S. Postal Service in mailing the Letters containing fraudulent
2 representations and defamatory statements as part of their Scheme, the NSCN Defendants
3 have engaged in unfair competition.

4 27. These improper actions have caused (i) NSCN, Miller and Zapper to unfairly
5 obtain business gains at the expense of Incorp, and (ii) Incorp customers to divert business
6 to NSCN.

7 28. The NSCN Defendants' actions constitute unfair competition.

8 29. The NSCN Defendants' actions are and were unfair and wrongful, and are being
9 and were (i) calculated to injure Incorp and Ansell in the marketplace, and (ii) done with
10 the intent of damaging Incorp and Ansell's business interests.

11 30. Incorp and Ansell have suffered damages in an amount to be proven at trial, as a
12 proximate and direct result of the NSCN Defendants' wrongful conduct.

13 31. The NSCN Defendants' conduct has caused and will continue to cause irreparable
14 injury to Incorp and Ansell, their business reputations and their goodwill.

15 32. Incorp and Ansell have no adequate remedy at law.

16 33. Incorp and Ansell have been irreparably harmed and will suffer immediate and
17 irreparable injury, loss or damage unless and until the NSCN Defendants are preliminarily
18 and permanently enjoined from obtaining, retaining, or using any Incorp confidential
19 information or trade secrets and from using the U.S. Postal Service or any other means to
20 distribute and/or publish any false or fictitious information about Incorp or Ansell as
21 described in the Letters above.

22 34. The NSCN Defendants' conduct was gross, wanton, malicious, oppressive and
23 showed spite, ill will, and reckless indifference to the interests of others. As a result, the
24 NSCN Defendants are liable for punitive damages.

25 35. It has been necessary for Incorp and Ansell to retain the services of an attorney,
26 and Incorp and Ansell are entitled to recover their reasonable attorneys' fees and costs
27 incurred.

COUNT III
(Defamation)

36. All allegations set forth above are incorporated herein.

37. The statements in the Letters described above, willfully, maliciously and purposefully published by the NCSN Defendants, were false, libelous and defamatory per se (the "Defamatory Statements"), and were published for the sole purpose of defaming, embarrassing, humiliating, and causing other damage and injury to Incorp and Ansell.

38. The NSCN Defendants published the Defamatory Statements knowing that they were untrue, or recklessly disregarded the Defamatory Statements' falsity.

39. In publishing the Defamatory Statements, the NSCN Defendants acted with malice toward Incorp and Ansell.

40. The NSCN Defendants intended that the Defamatory Statements be published and did publish the Defamatory Statements to third parties, including but not limited to, the Recipients.

41. The Defamatory Statements were calculated to cause, and did cause, great injury to Incorp and Ansell's reputation including, but not limited to, damage to prospective business relations, humiliation and embarrassment.

42. It has been necessary for Incorp and Ansell to retain the services of an attorney, and Incorp and Ansell are entitled to recover their reasonable attorneys' fees and costs incurred.

COUNT IV
(Intentional Interference with Contractual Relations)

43. All allegations set forth above are incorporated herein

44. Incorp had contracts with several customers and business affiliates.

45. The NSCN Defendants knew of these contracts.

46. The NSCN Defendants intentionally interfered and disrupted these contracts by mailing the Letters and by making the Defamatory Statements to Incorp's customers and business affiliates.

1 47. As a direct and proximate cause of NSCN Defendants' intentional interference
2 with contracts between Incorp and its customers and business affiliates, Incorp has been
3 damaged in an amount to be determined at trial, plus interest thereon.

4 48. It has been necessary for Incorp and Ansell to retain the services of an attorney,
5 and Incorp and Ansell are entitled to recover their reasonable attorneys' fees and costs
6 incurred.

7 **COUNT V**
(Intentional Interference with Prospective Business Advantage)

8 49. All allegations set forth above are incorporated herein.

9 50. Incorp and Ansell had ongoing business relationships with numerous customers
10 and business affiliates throughout the U.S., which would have led to additional business
11 for Incorp and Ansell.

12 51. The NSCN Defendants knew of these business relationships.

13 52. The NSCN Defendants intended to interfere with these business relationships by
14 engaging in the Scheme to defraud set forth above and by making the Defamatory
15 Statements.

16 53. None of the NSCN Defendants had the privilege or justification to engage in the
17 acts herein described.

18 54. As a direct and proximate cause of the NSCN Defendants' intentional
19 interference with the prospective business advantage of Incorp and Ansell, Incorp and
20 Ansell have been damaged in an amount to be determined at trial, plus interest thereon.

21 55. It has been necessary for Incorp and Ansell to retain the services of an attorney,
22 and Incorp and Ansell are entitled to recover their reasonable attorneys' fees and costs
23 incurred.

24 **DEMAND FOR RELIEF**

25 WHEREFORE, Incorp and Ansell demand judgment against Defendants, jointly
26 and severally, as follows:

- 27 1. For damages in an amount to be proven at trial, plus interest thereon;
28 2. For treble damages pursuant to 18 U.S.C. § 1964(c);

1 3. For punitive damages in an amount that would punish Defendants for their willful
2 and wanton conduct and to deter Defendants from future unlawful conduct;

3 4. For preliminary and permanent injunctive relief preventing Defendants from
4 directly or indirectly using Incorp's confidential information and trade secrets, including
5 but not limited to, names and addresses of Incorp customers and affiliates, which
6 information is confidential and a trade secret, for competitive purposes and to further
7 Defendants' Scheme;

8 5. For preliminary and permanent injunctive relief preventing Defendants from
9 using the U.S. Postal Service or any other means to distribute and/or publish any false or
10 fictitious information about Incorp or Ansell as described in the Letters;

11 6. For Incorp and Ansell's attorneys' fees and costs incurred; and

12 7. For all other legal and equitable relief to which Incorp and/or Ansell is entitled.

13 DATED: August 1, 2007.

14 FENNEMORE CRAIG, P.C.

15
16 By /s/ Anthony B. Golden

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21 and

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25 Attorneys for Incorp Services, Inc. and
26 Doug Ansell
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28

8644.1/99502.020

EXHIBIT 1

GoverningAgencyName	GoverningAgencyAddress	GoverningAgencyCity	StateOrProvince	GoverningAgencyPostalCode
Alabama Secretary of State	PO Box 5616	Montgomery	Alabama	36103-5616
Alaska Department of Commerce, Community, and Economic Development	PO Box 110808	Juneau	Alaska	99811-0808
Arizona Corporation Commission	1300 West Washington Street	Phoenix	Arizona	85007-2929
Arkansas Secretary of State	State Capitol	Little Rock	Arkansas	72201
California Secretary of State	1500 11th Street	Sacramento	California	95814
Colorado Secretary of State	1700 Broadway, Ste 200	Denver	Colorado	80290
Connecticut Secretary of State	30 Trinity Street	Hartford	Connecticut	06106
Delaware Secretary of State	PO Box 898	Dover	Delaware	19903
District of Columbia Department of Consumer & Regulatory Affairs	941 North Capitol Street, N.E.	Washington	District of Columbia	20002
Florida Department of State	Clifton Building - 2661 Executive Center Circle	Tallahassee	Florida	32301
Georgia Secretary of State	2 Martin Luther King, Jr. Drive S.E. Suite 315, West Tower	Atlanta	Georgia	30334
Department of Commerce and Consumer Affairs	PO Box 40	Honolulu	Hawaii	96810
Office of the Secretary of State	PO Box 83720	Boise	Idaho	83720-0080
Illinois Secretary of State	501 S. Second St., Suite 328	Springfield	Illinois	62756
Indiana Secretary of State	302 West Washington Street, Room E018	Indianapolis	Indiana	46204
Office of the Secretary of State	First Floor, Lucas Building 321 E. 12th St.	Des Moines	Iowa	50319
Kansas Secretary of State	Memorial Hall, First Floor 120 S. W. 10th Ave.	Topeka	Kansas	66612-1594
Kentucky Secretary of State	700 Capital Avenue Suite 152, State Capitol	Frankfort	Kentucky	40601
Louisiana Secretary of State	PO Box 94125	Baton Rouge	Louisiana	70804
Maine State Department	101 State House Station	Agusta	Maine	04333
Maryland Secretary of State	301 West Preston Street, 8th Floor / Room 801	Baltimore	Maryland	21201
Massachusetts Secretary of State	One Ashburton Place, 17th floor	Boston	Massachusetts	02108
Michigan Department of Labor & Economic Growth	PO Box 30054	Lansing	Michigan	48909
Minnesota Secretary of State	60 Empire Drive	St. Paul	Minnesota	55155-1299

Alabama Secretary of State	PO Box 5616	Montgomery	Alabama	36103-5616
Mississippi Secretary of State	PO Box 136	Jackson	Mississippi	39205-0136
Missouri Corporations Division	PO Box 778	Jefferson City	Missouri	65102-0778
Montana Secretary of State	PO Box 202801	Helena	Montana	59620-2801
Nebraska Secretary of State	PO Box 94608	Lincoln	Nebraska	68509-4608
Nevada Secretary of State	101 North Carson Street, Suite 3	Carson City	Nevada	89701-4786
New Hampshire Secretary of State	107 North Main Street	Concord	New Hampshire	03301-4989
New Jersey Division of Revenue	PO Box 308	Trenton	New Jersey	08625
New Mexico Corporations Division	PO Box 1269	Santa Fe	New Mexico	87504
New York Department of State	41 State Street	Albany	New York	12231-0001
North Carolina Secretary of State	PO Box 29622	Raleigh	North Carolina	27626-0622
North Dakota Secretary of State	600 East Boulevard Avenue	Bismarck	North Dakota	58505-0500
Ohio Secretary of State	180 Broad Street, 15th Floor	Columbus	Ohio	43215
Oklahoma Secretary of State	2300 N. Lincoln Blvd., Room 101	Oklahoma City	Oklahoma	73105-4897
Oregon Office of the Secretary of State	Public Service Building, Suite 151 255 Capitol Street NE	Salem	Oregon	97310
Pennsylvania Secretary of State	206 North Office Building P.O. Box 8721	Harrisburg	Pennsylvania	17105-8721
Rhode Island Secretary of State	148 W. River Street	Providence	Rhode Island	02904-2615
South Carolina Secretary of State	PO Box 11350	Columbia	South Carolina	29211
South Dakota Secretary of State	Capitol Building 500 East Capitol Avenue, Suite 204	Pierre	South Dakota	57501-5070
Tennessee Department of State	312 Eighth Avenue North 6th Floor, William R. Snodgrass Tower	Nashville	Tennessee	37243
Texas Secretary of State	PO Box 13697	Austin	Texas	78711
Utah Department of Commerce	160 East 300 South Heritage I Building	Salt Lake City	Utah	84114-6705
Vermont Secretary of State	81 River Street	Montpelier	Vermont	05609-1104
Virginia State Corporation Commission	1300 East Main Street P O BOX 1197	Richmond	Virginia	23218
Washington Secretary of State	801 Capitol Way S PO Box 40234	Olympia	Washington	98504-0234

Alabama Secretary of State	PO Box 5616	Montgomery	Alabama	36103-5616
West Virginia Secretary of State	Bldg. 1, Suite 157-K 1900 Kanawha Blvd. East	Charleston	West Virginia	25305-0770
Wisconsin Department of Financial Institutions	PO Box 7846	Madison	Wisconsin	53707-7847
Wyoming Secretary of State	Capital Building, Room 110 200 W. 24th Street	Cheyenne	Wyoming	82002-0020

EXHIBIT 2

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